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The CEE countries' first decade of EU membership:

From policy-takers towards agenda-setters?

Abstract

The accession of the group of eight post-communist Central and Eastern European member states who joined in 2004 marked a historic watershed in the development of the European Union. The subsequent enlargements in 2004 and represented the biggest expansion of the EU's membership base since the beginning of the institutionalised process of institutional European integration after the end of WW2. Even more importantly however, it constituted the official end of more than four decades in which the European continent had been artificially divided into two ideological and military blocs by the Cold War. This article concentrates on the 2004 enlargement and analyses how the CEE-8 group has integrated into the EU's institutional and policy acquis over the past decade. In this respect the impact of the global financial crisis of 2008-09 represents a major challenge for the countries of the region in their ongoing political, economic and social transformation since the fall of communism. The paper examines to what extent the CEE countries have managed to tackle the multiple challenges of post-communist transition and which factors have determined their status as predominantly passive policy-takers. Special emphasis is put on the impact of the 2008-09 global financial crisis, which poses the risk of backsliding on the CEE's domestic political and economic transition process and growing alienation from the increasingly complex new coordinative EU policy mechanisms. The article also considers the potential future role of the semi-institutionalised cooperation amongst the Visegrád 4 group (Czech Republic, Hungary, Poland and Slovakia) in effectively promoting the interests of the wider CEE region in the EU. The main challenge in this respect lies in the persistent diversity of national interests and varying levels of commitment towards transnational cooperation amongst the V4 and the wider CEE group. This especially applies to the regional leader Poland who has been torn between the ambition to intensify regional cooperation and the desire to become a leading player in the EU along the side of France and Germany.

Introduction

Since its foundation under the Treaty of Rome in 1957 the European Community steadily grew from the original six member states towards nine in 1973, 12 in the 1980s and 15 in 1995. The most recent historic enlargements towards Central, Eastern and South-Eastern Europe substantially enlarged the EU towards 25 in 2004, 27 in 2007 and most recently 28 member states when Croatia joined in 2013. This article examines how the 2004 and 2007 CEE accession groups have integrated into the EU and how their status has been affected by changing internal dynamics. The article also considers the potential role of the Visegrád 4 cooperation in strengthening the voice of the CEE region in the EU's process of intergovernmental strategic bargaining.

The 2004/07 enlargements - a historic 'big bang' expansion of the EU

The historic enlargement of the EU towards eight new member states in Central and Eastern Europe in 2004 marked the end of sixty years of artificial Cold War ideological division of the European continent. Leading voices amongst the EU-15 governments, such as the British prime minister Tony Blair and the German chancellor Gerhard Schröder, strongly supported the decision to allow a whole group of CEE countries to join the EU in a single enlargement wave. Blair spoke of 'equal partners' joining who would help to build a 'new Europe' (Blair 2000). Schröder emphasised that the CEE-8 group who joined in May 2004 are countries who 'are finally returning to Europe's community of state, to the European family' (Schröder 2004).

The CEE pre-accession process: Strict conditionality

The pre-accession process was nevertheless dominated by public discussions in the EU-15 which concentrated on the extent to which the prospective member states would be prepared to join the EU's *acquis* and what the overall implications for the EU's internal dynamics would be. The special Eurobarometer which was conducted by the European Commission in the EU-15 countries one year before the accession date for the CEE-8 in March 2003

showed that around 80 per cent of all citizens in the existing member states were aware that the EU's membership base was about to be expanded substantially. The poll also showed that the majority of citizens in the existing member states considered the EU not well prepared for the big bang enlargement consisting of the CEE-8 plus Cyprus and Malta in May 2004. In the 48 per cent of citizens in the EU-15 countries considered the EU not to be ready for the next wave of enlargement. In France, Italy and Germany this stood even higher with 51, 52 and 48 per cent of the population respectively expressing this view (European Commission 2003, p. 9 and p. 80). This was a reflection that the EU-15 governments had failed to reach a consensus on EU institutional and procedural reform before enlargement actually took place. None of the major intergovernmental conferences on treaty reform since Maastricht had managed to achieve a breakthrough to establish an institutional status quo which could ensure that the EU remained operational after the next enlargement. The stony road of post-Maastricht reform discussions from Amsterdam in 1997 to Nice in 2000 and Laeken in 2001 was characterised by the persistent gap between national government rhetoric and action (Grabbe and Hughes 2000, p. 104). At Laeken the EU-15 governments had reached the point where they had to concede that major reforms could not be reached in intergovernmental negotiations (European Council 2001). It therefore ultimately fell to the Constitutional Convention which was only established in 2001 to work towards an EU reform treaty. The Convention under the leadership of former French president Giscard d'Estaing gave EU governments breathing space but as it did not start its work until February 2002 it was clear that a reform treaty proposed by the Convention could not be completely ratified before the May 2004 accession date.

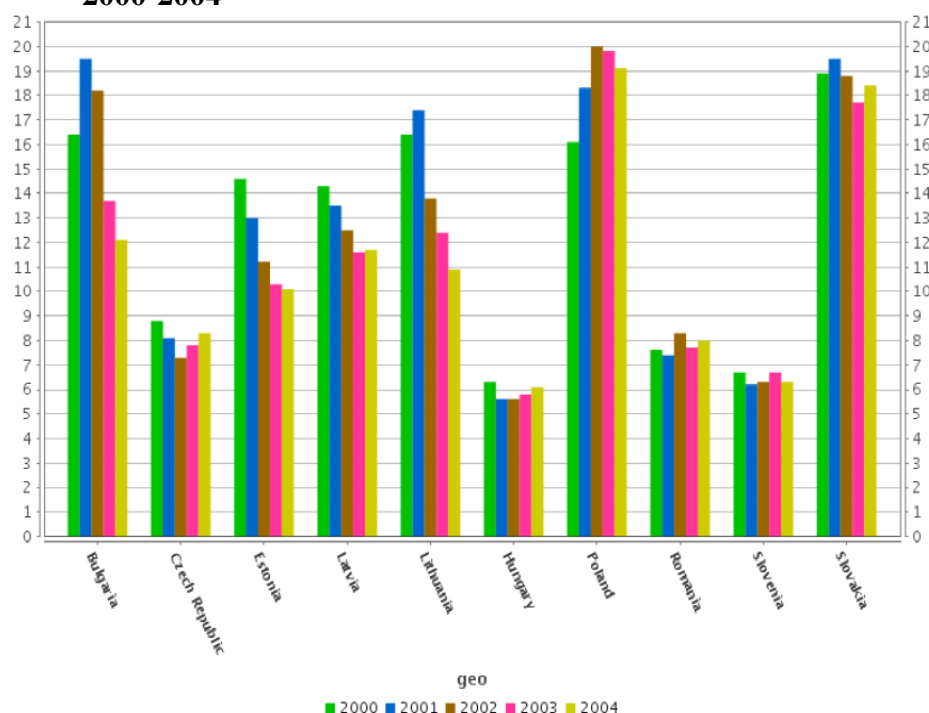
The relatively fruitless reform discussions amongst EU-15 political elites on institutional and procedural reform took place against the background of substantial public concerns regarding the financial, economic and social impact of the forthcoming enlargement. Once the shape of the impending eastward enlargement was determined in detail, the public debate shifted towards the potential impact the accession of a large group of post-communist countries on the economies and societies of the EU-15. Parallel concerns about the potential financial burden had previously been addressed during the *Agenda*

2000 enlargement package negotiations under the German EU presidency in the first half of 1999. The European Council meeting in Berlin on 24/25 March 1999 effectively determined a spending cap of €213 billion for the period 2000-2006 on the EU's structural and procedural funds (EUR-Lex 1999). At the same time the Berlin Council summit decided to limit the pre-accession instruments for the group of ten CEE candidate countries (including Romania and Bulgaria) and also Cyprus to €3.1 billion per year between 2000 and 2006. Expenditure for the actual accession was limited to €45.2 in total, in both cases including agricultural spending (European Council 1999). The CEE candidate governments accepted this financial settlement, which left them substantially worse off than accession candidates during previous enlargements, without much public resistance. It was nevertheless expected that some of them, especially Poland, would demand for an increase in the overall budgetary provision for post-accession financial support once they had joined the EU (Barysch and Grabbe 2002, p. 26). Overall the public view prior to the 2004 enlargement in the EU-15 was that the expansion of the EU's membership base would result in a significant burden on the national budgets. 68 per cent of citizens in the EU-15 expressed the opinion that this enlargement would be 'very expensive', in France and Germany over 70 per cent of the population voiced such concerns (European Commission 2003, p.44).

One issue that gained increasing prominence in the public debate around the preparation for the May enlargement was that of expected high levels of labour migration from the CEE countries. The majority of citizens in most of the EU-15 countries expected this enlargement to result in the influx of a large number of people from the new member states. Between 60 and 80 per cent of the population expressed such an opinion in most member states, with the exception of the UK, the Scandinavian countries, Belgium and the Netherlands where the levels of public concern were lower. In a number of EU-15 countries there was also the expectation that the enlargement would lead to rising levels of unemployment (Portugal: 64 per cent, Spain: 62 per cent, Germany: 56 per cent, Luxembourg: 53 per cent and Austria 51 per cent) and that the standard of social welfare would decline, (Germany: 56 per cent, Portugal: 52 per cent, Spain: 50 per cent) (Eurobarometer 2003, p. 60 and p. 69-70). The background to this were the high levels of unemployment in some

of the CEE-8 accession candidates. The major concern amongst the group was Poland, where unemployment had approached 20 per cent by 2002-03 (see Figure 1).

Figure 1: Total unemployment rate CEE-10 candidate countries 2000-2004



Source: Eurostat, available at

<http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdec450&plugin=1>

The bleak labour market situation in many of the CEE-8 accession group combined with a noticeable gap in the wage structure between these countries and the EU-15 pushed concerns about the potential impact of a large wave of labour migration to the forefront in the run-up to the May 2004 enlargement. This 'race to the bottom' debate portrayed unfair wage competition from the East as the potential death knell for long established Western European social standards, essentially the European social model (Barysch 2006, p. 1). It was based on the observation that the 'economic earthquake' of transition from centrally planned state socialism towards economic liberalisation resulted in noticeable detrimental social effects in the CEE region (Engbersen, Okólski, Black and Pantîru 2010, p. 19). These

concerns were augmented by the fact that the May 2004 enlargement (including Cyprus and Malta) represented the biggest expansion of the EU's population ever, with over 71 million new citizens joining the Single Market in one instant, representing an almost 20 per cent relative increase of the EU's population. At the same time the group of new member states only reached around 25 per cent of the EU's GDP per capita, which was substantially lower than any of the previous accession countries (Kvist 2004 , p. 304). The majority of national governments in the EU-15 reacted to these concerns by demanding that the accession treaty for the May 2004 enlargement determined the ability to impose national transitional periods of up to seven years up during which the freedom of movement for the new member states would be limited (European Commission 2004). As a result twelve of the EU-15 decided to impose temporary restriction to the freedom of movement for citizens from the CEE-8. The exceptions were the United Kingdom and Ireland, whose considered enlargement as an opportunity to fill vacancies in their booming labour markets with migrant and after some deliberation also Sweden (Dobson and Sennikova 2007, p. 124).

The CEE countries faced strict conditionality as part of their accession process. The Copenhagen membership criteria, which the EU had determined for future members back in 1993, were applied in a more stringent manner towards the assessment of the CEE membership application than this had been the case during previous enlargement. This reflected the numerous concerns the EU had towards the accession of a large group of predominantly post-communist member states (Goetz 2005, p. 256). Beyond the issues outlined earlier in this article the EU-15 governments and the Commission were adamant to ensure that the CEE countries would make sufficient progress in their ongoing domestic political and economic transformation to be able to fit into the EU *acquis* smoothly. The accession process, which has generally been described as one of external governance through conditionality, is based on the incentives that come with EU membership (Schimmelfennig and Sedelmeier 2011). In the case of the CEE countries this conditionality manifested itself in the emphasis on political conditionality, especially a relative broad definition of good governance (Sedelmeier 2015, p. 427). This allowed the EU adopt a 'regatta' approach where preference for accession was given to those countries

who were considered to be most advanced in their progress of approximation towards the EU *acquis*. Romania and Bulgaria and the Balkan countries were hence left out from the 2004 accession group because they were considered to have made insufficient progress on political criteria such as reducing corruption, administrative inefficiency and the fight against organised crime (Bojkov 2004: 518-519). This was almost ironic given the fact that especially the Southern members in the EU-15 group, most of all Italy and Greece, have persistent problems with administrative inefficiency, clientelism and corruption¹. One could therefore argue that this strict and broadly defined conditionality on behalf of the EU towards the CEE countries, which by far exceeded the accession demands placed on previous applicants, essentially treated them as second class members (Aslund 2010, p. 8). This was accentuated by their exclusion from the core Single Market principle of the free movement of people for quite extensive periods in some of the EU-15 countries. This contradicted the principle of equal treatment for all member states, which the EU previously had consistently applied, and de facto at least temporarily created a two-tier EU (Lippert, Hughes, Grabbe and Becker 2001, p.74).

After accession: the CEEs as 'good citizens' in times of crisis

Those that had predicted that the accession of eight post-communist countries would result in the major disruption of the EU's business were proven wrong. In spite of the widespread concerns about the potential adverse impact of allowing a relatively large group of post-communist transition countries to join at once, the CEE countries' overall conduct in the EU after accession was largely constructive.

Integrating into the EU's *acquis*

The majority of the CEE-8 complied with the EU's strict monitoring regime towards their performance in terms of the transposition of EU's *acquis*. Exceptions were Poland under the Justice and Law government during the

¹ The Demos Democracy Index ranks Greece and Italy as the third and fourth worst performers on the control of corruption and implementing the rule of law in the EU (Demos 2013, p. 101 and 104).

period 2005-2007, the Czech Republic during the era of president Václav Klaus (2003-2013) and more recently Hungary under the second and third Orbán government since 2010. Once they had joined the EU, the CEE-8 therefore largely demonstrated 'good citizenship' (Dimitrov 2012). Concerns nevertheless remained about the actual gap between formal transposition and actual domestic implementation of EU law, especially in the area of social policy, in its intended spirit. The basis for this concern about 'dead letters' emerging from the transposition process focused on the lack of effective institutional capabilities and mechanisms of scrutiny from a functioning civil society (Falkner and Treib 2008). The overall official transposition record of the CEE countries nevertheless remained better than in many of the EU-15 member states. In practice the CEE countries restricted themselves to the position of passive policy takers who did not actively challenge the political status quo in the EU (Dimitrov 2012, p. 298) and displayed a good record on compliance with EU law transposition (Dimitrova and Toshkov 2009). In its July 2005 Internal Market Scoreboard the European Commission praised the CEE-8 countries for the better performance 'in transposing Internal Market directives on time than the EU-15 Member States, despite having had to absorb the whole *acquis* in a short time frame' (European Commission 2005, p.5). After Romania and Bulgaria had joined the EU in 2007 they showed a similarly good transposition record. Both countries have however subsequently been accused of 'post-accession hooliganism' due to their alleged backtracking on governance reform (Ganev 2013). The CEEs good transposition record, especially in the area of Single Market directives, can to a large extent be explained by the fact that the EU policy agenda in fact coincided with the 'post-Communist dynamic of democratisation, marketization and liberalization' (Goetz 2005, p. 259). The CEE countries therefore generally have shown much stronger support for the EU Single Market liberalisation and reform agenda than many of the EU-15 who keep displaying a noticeable and persistent commitment-implementation gap (Schweiger 2014, p. 24).

Economic transformation under the conditions of the eurozone crisis

Before the onset of the global financial crisis the CEE-8 group had also made significant progress in its economic transformation. All of the CEE member states, including the later joiners Bulgaria and Romania, displayed good levels of economic growth between 2004 and 2008. The highest level of growth could be seen in the Baltic States Estonia, Latvia and Lithuania who had swiftly opened their economy to foreign FDI, especially in the area of financial services, and also in Slovakia (Farkas 2013, p. 67). The exception was Hungary, one of the countries amongst the CEE group who immediately after the fall of the iron curtain had initially shown a good record of economic transition. Hungary had maintained a greater level of economic liberalisation than other Warsaw Pact countries under communism and developed a strongly 'outward orientated' economic transition model which relied heavily on the attraction of foreign direct investment (Pogátsa 2009, p. 597). Hungary however quickly became trapped in a vicious circle of sluggish economic growth, rising levels of public debt and an imbalanced two-tier economy, which relied heavily on dwindling foreign investment and failed to build up a viable domestic base for growth (Kovács 2015, p. 133). Hungary's dependence on FDI was not uncharacteristic for the post-accession development of the wider CEE group.

While the Baltic countries' FDI was originally more orientated towards Scandinavia, especially the Visegrád-4 countries the Czech Republic, Hungary, Poland and Slovakia quickly established themselves as manufacturing hubs for the German automobile industry (Galgoczi 2009, p. 623), which has become an essential but certainly not the only pillar of their economy. The strong dependence on externally financed growth generally poses a risk for the long-term economic stability in the CEE region. This was reflected by the sharp downturn in the Baltic states following the onset of the global financial crisis in 2008-09. Especially for the V4 group, with the exception of Hungary, the close affiliation with the German economy which managed to maintain a good export performance during the crisis, turned out to be beneficial. The prime example for this is Poland, who turned out to be the only country in the whole of the EU that did not fall into recession at any time during the financial crisis and the subsequent eurozone sovereign debt crisis. The Polish government was

able to use its comparative advantage of being closely connected with Germany's economy in combination with targeted investment, which was substantially funded from the EU budget, to steer the country's economy successfully through the crisis (Duszczyk 2015). Poland's recent economic success cemented its role as the leader amongst the CEE group and supported the leadership ambitions that the Civic Platform government under the leadership of prime minister Donald Tusk had set out for the country after it he became prime minister in 2011. Under the Tusk government Poland managed to overcome its initial position as economic and political problem case amongst the 2004 accession group. It had emerged on the basis of the mounting domestic unemployment problem and the nationalist and eurosceptic demeanour of the Law and Justice Party government between 2005 and 2007. During this period Poland adopted the role of an obstructive player in the EU. It tried to undermine the negotiations on the emerging Constitutional Treaty and challenged what the government perceived as the EU's 'liberal consensus' (Szczerbiak 2012, p. 17). In stark contrast to this approach, the successor Civic Platform government which won power in 2007, made efforts to rebuild relations with EU partners. Civic Platform prime minister Donald Tusk openly expressed the ambition to turn Poland into 'a central player' in the EU and to ultimately join the Franco-German strategic leadership axis as part of the cooperation in the 'Weimar triangle'.

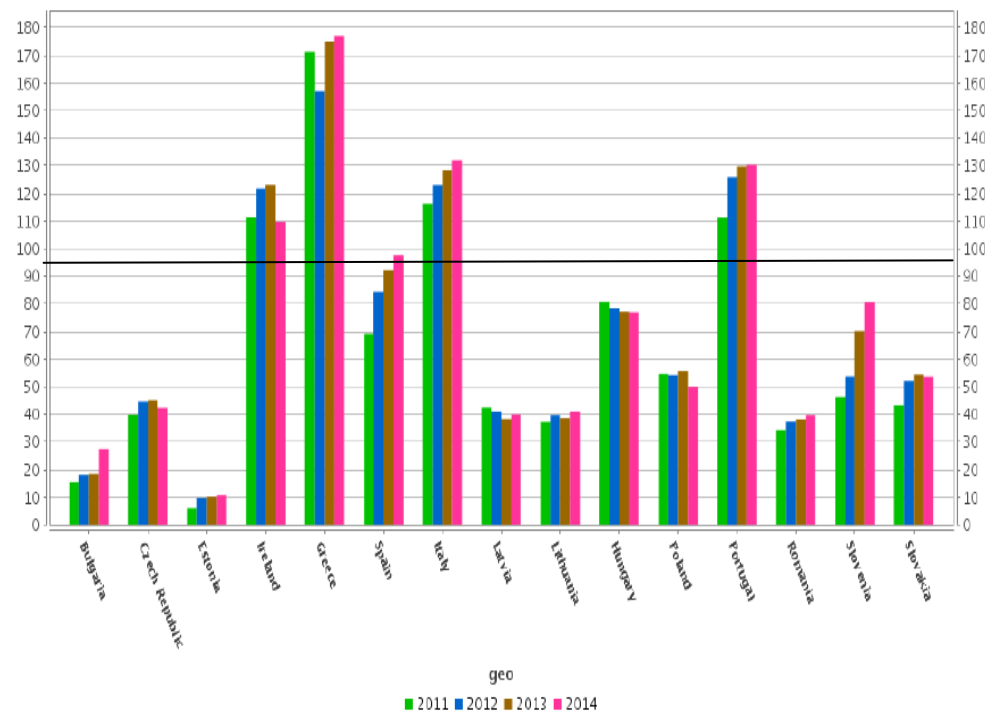
For this purpose the Tusk government developed close relations with Germany and openly advocated a German leadership role in the EU (Sikorski 2011). Joining the euro was promoted as a core strategic goal of the Tusk government to enhancing Polish influence in the EU. Radoslaw Sikorski, who was foreign minister in Civic Platform governments between 2007 and 2014, emphasised this: 'Even though we are already a member-state to be reckoned with, to further boost our significance we should be ready to adopt the euro.' (Sikorski 2013). This clearly distinguished Poland from the rest of the CEE group who refrained from actively trying to shape the EU policy agenda. Even the Polish government has however struggled to enhance the country's influence in the EU under the lingering conditions of the eurozone sovereign debt crisis. The Tusk government had originally planned to adopt the euro by 2012 (Schweiger 2013, p. 13) but was faced with the reality that the Stability

and Growth Pact criteria could not be met under the conditions of the economic crisis, where targeted investment became crucial to steer the country clear of recession. Poland had met the eurozone SGP annual borrowing target in 2007, when it borrowed less than three per cent of its annual GDP. By 2009/10 this had increased to over seven per cent. Although Poland's overall deficit has also risen under the conditions of the financial crisis (from 45 to 55 per cent of the GDP), it still is within the 60 per cent SGP deficit limit (Eurostat 2015). The government led by Tusk's successor Ewa Kopacz has therefore adopted a 'wait and see' approach towards the eurozone entry (Goetting and Sobczak 2014). Even if Poland would meet all the SGP entry criteria, including the targets on inflation, the Polish government now faces an increasingly sceptical Polish public when it comes to eurozone entry. The persistent crisis symptoms in the eurozone have eradicated the slim but steady public support for euro entry in Poland, which had established itself before the financial crisis in 2006/07 (European Commission 2007, p. 37). The latest Eurobarometer opinion polls conducted in March 2015 show that a clear majority of Poles is now against economic and monetary union (54 per cent) and only 10 per cent consider the euro to be the most positive result of European integration (European Commission 2015, p. 26). This explains why already in 2013 Tusk committed himself towards holding a referendum on eurozone entry (Sobczak 2013).

The eurozone has witnessed continuous enlargement during the period of its most existential crisis. The new member states who joined between 2007 and 2015 were all from the 2004 enlargement group, including Cyprus and Malta. The accession of Slovenia (2007), Slovakia (2009), Estonia (2011), Latvia (2014) and Lithuania (2015) to the euro core group during this period reflects the remarkable economic transformation process these countries were able to achieve within more or less a decade since they had first joined the EU. This was even more so the case as these countries were confronted with the stricter appliance of the stability and growth pact criteria by the European Commission than this had been the case during the establishment of the original eurozone core between 1999 and 2001. Then Southern European countries with significant structural public deficits of over 100 per cent of their GDP were admitted. Moreover, the initiators of EMU's original design, Germany and France, became the first to break the SGP deficit criteria

(Hodson 2015, p. 175). The political developments in the eurozone since the onset of the sovereign debt crisis in 2008/09 have made entry for the current CEE outsiders far less attractive than it was a decade ago. With increasing levels of supervision of national budgetary and macroeconomic policies by the European Commission under the new *European Semester* cycle of policy coordination, eurozone countries facing further constraints on their sovereign policy-making autonomy. Moreover, under German leadership the eurozone has established a financial support system which requires solvent countries to act as debtors for members with solvency problems under the permanent European Stability Mechanism (ESM) loan system. CEE outsiders such as the Czech Republic, Hungary and Poland are therefore asking themselves 'whether it is possible to strengthen the economic security of a country by joining the EMU which is unstable and faces the problem of insolvency of its member states' (Stryjek 2013, p. 59). Figure 2 illustrates the stark difference between budgetary situation of the CEE countries and the GIIPS (Greece, Italy, Ireland, Portugal and Spain) eurozone countries. Even Hungary, which continues to struggle to bring its public finances under control and the recent problem case Slovenia, have a relatively sound budgetary situation when compared with the GIIPS.

Figure 2: General government gross debt (% of GDP) in the CEE member states and the GIIPS group 2011-2014



Source: Eurostat, available at

<http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdde410&plugin=1>

It is therefore no surprise that both the CEE insiders and the outsiders have been critical towards the political mechanisms the eurozone has adopted in response to the sovereign debt crisis. In this respect the eurozone crisis represents a turning point for some of them. The CEE countries have generally been supportive of Germany's insistence on fiscal rigidity in response to the crisis (Handl and Paterson 2013, p. 332). As part of their role as predominantly passive policy-takers they have also not tried to challenge the EU's post-crisis policy status quo, which confronts governments with the increasing dilemma of having to meet the eurozone SGP and now also the Fiscal Compact budgetary spending limits while at the same time they realise the need to address mounting social pressures such as increasing levels of structural unemployment and poverty (Hemerijck 2014, p. 148).

The complex system of multi-level policy coordination the EU has adopted since 2010 nevertheless raises profound concerns about the effects on national budgetary and policy-making autonomy and democratic accountability, as unelected supranational bodies such as the European

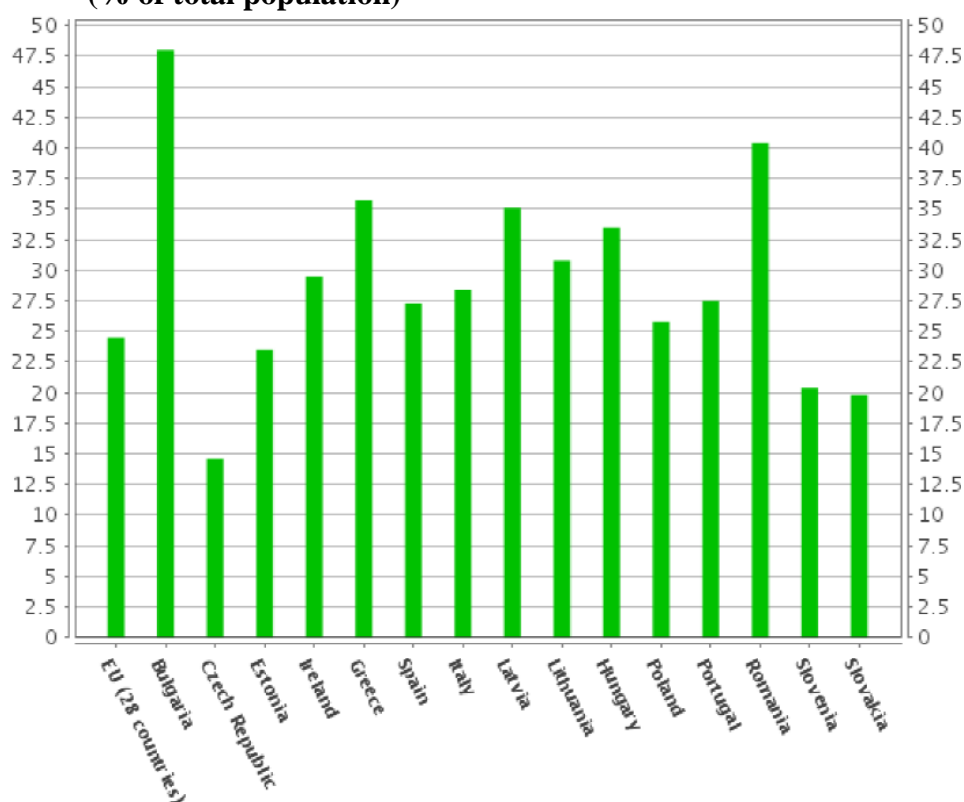
Commission and the European Central Bank have gained increasingly independent supervisory powers (Dyson 2012, p. 182; Borrell 2015, p.240; Hodson 2015, p. 188). Especially the Czech Republic, Hungary and also Slovakia have therefore adopted a more critical tone towards the eurozone's new political architecture. The Czech Republic adopted an increasingly eurosceptic attitude under during the presidency of Václav Klaus (2003-2013). Klaus repeatedly publicly expressed his scepticism towards what he considered to be plans for the establishment of an EU federation. This culminated when the German chancellor Angela Merkel attempted to convince EU partners to agree towards the inclusion of a binding debt brake into the existing treaty structure. The Czech Republic led by the centre-right government of prime minister Petr Nečas consequently joined the United Kingdom in opting out from the 2011 Fiscal Compact. Nečas did not follow British prime minister David Cameron in vetoing the inclusion of the Compact into the EU treaty structure. He nevertheless openly expressed his scepticism towards attempts to instil deeper political integration in the EU under crisis conditions (Král 2013). Hungary's prime minister Viktor Orbán has also been an outspoken critic of what he considers to be the EU's federalist direction under German leadership. Orbán expressed his euroscepticism by comparing the EU with the Soviet Stalinist interference during the Cold War and portraying it as a disturbing external influence (Agh 2012, p. 71 and 73) He has steered towards an increasingly nationalist direction and even questioned the fundamental values of the EU by proclaiming that Hungary's future would be that of an 'illiberal state' (Mahony 2014). Slovakia who had only just joined the euro surprised many EU partners when prime minister Iveta Radicova objected to the establishment of the EFSF in 2011 (Pidd 2011).

New risk of reform fatigue

These events illustrate growing levels of alienation in the CEE region from a process, where they are expected to contribute to financial support for countries who are considered to have failed to initiate essential structural domestic reforms. Given the current circumstances the euro outsiders amongst the CEEs are hence likely to continue to concentrate on improving economic

growth and living standards over convergence with the euro SGP criteria (Dyson and Marcussen 2009). There is therefore a real danger that the CEE countries start considering the EU 'on collision course with their political traditions, expectations and material interests' (Auer 2015). This danger presents itself in tandem with the growing division of the EU between the eurozone core and multiple peripheries. Both Southern Europe and the Central and Eastern European region are currently considered to be peripheries in the EU, mostly because of the lower levels of social cohesion (Galgoczi 2015). The latter manifests itself in noticeable divergence of wage levels, education standards and levels of poverty from the EU-15 average. Figure 3 shows the dilemma the majority of the CEE countries are facing. The latest comparative figures from 2013 on poverty and social exclusion in the EU illustrate that all but the Czech Republic, Slovenia and Slovakia have a higher percentage of people who are considered to be at the risk of poverty or social exclusion. The figures are particularly high in Bulgaria and Romania and the CEE-8 group is currently only exceeded by Greece.

**Figure 3: People at risk of poverty or social exclusion
(% of total population)**



Source: Eurostat, available at

http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_50&plugin=1

Recent studies on the social and political development of the CEE region in the past twenty years emphasise that the countries in the region were caught by the global financial crisis in the process of incomplete welfare state transformation, which left them with persistently high levels of social exclusion. The aggravation of the social adjustment crisis risks endangering the relatively fragile democratisation in the CEEs, which is described as "'thin' Europeanization' (Agh 2013, p. 38). The backsliding of democracy in the CEE countries under crisis conditions in recent years, most noticeably in Hungary with incursions against independence of the media and judiciary and the rise of the popularity of the far-right Jobbik party (Birdwell et al 2013), in combination with unresolved social problems poses a substantial risk for the influence of the region in the EU in the long term. The main risk is that backtracking on political and social transformation successes may result in 'the increasing peripheralization of the ECE region with its sharply decreasing weight in the EU decision-making process' (Agh 2014, p. 36).

The risk of the spread of 'reform fatigue' in the CEE region is real as the decline in the public's trust in and satisfaction with the problem-solving capacity of national and EU-level politics increases. The High Level Reflection Group on Central Europe emphasises this risk but at the same time points out that so far the region has not witnessed an overall shift towards euroscepticism (High Level Reflection Group 2013, p. 28). A major factor which may contribute towards the rise in eurosceptic populist politics in the region is the ongoing discussion about alleged poverty and welfare migration from CEE countries towards the EU-15.

This issue has been relentlessly pushed by the Conservative British prime minister Cameron in the context of his attempts to achieve the renegotiation of his country's EU membership. Cameron demands the renegotiation of the core Single Market principle of the free movement of people with the aim of permitting countries to impose permanent restrictions on the freedom of movement of citizens from other EU states. His focus in this

respect has been clearly on citizens from the new member states, especially Bulgaria and Romania: 'With their economies considerably poorer than ours – and with almost every other EU country opting to keep controls – it made the UK a uniquely attractive destination for the citizens of those countries' (Cameron 2014). Cameron claims that there has been a widespread abuse of the British welfare system by CEE migrants, a claim which is not backed up by actual figures (Nowaczek 2010, p. 295). These claims yet are discriminatory and ultimately politically dangerous as they feed the prejudiced view of the CEE countries as peripheral second-class members and fails to acknowledge the efforts they have made in their post-communist transformation.

The enhanced Visegrád cooperation as an opportunity to avoid the peripheralisation trap?

The CEEs will have to make concerted efforts to counter this stigmatisation as peripheral countries in the EU. A potentially crucial role in advocating the interests of the region and to generally raise the profile of the CEE members could potentially be taken up by the semi-institutionalised cooperation between the Visegrád 4 countries (Czech Republic, Hungary, Poland and Slovakia). The four have intensified their cooperation immediately after the fall of the iron curtain in 1991, when they began to coordinate their transition efforts in preparation for application for EU membership. The V4 cooperation remains loose and predominantly intergovernmental with only very limited supranational institutionalisation. The lack of rigid institutionalisation offers the opportunity for the V4 to swiftly adapt the format of their cooperation to new developments, including by adopting a V4+ format which allows outsiders to join the cooperation, such as has recently been the case with Austria (Törő et al 2014). The V4 cooperation nevertheless faces substantial constraints as it is frequently undermined by a divergence of national interests (such as most recently over the Ukraine crisis) and also the EU's general reluctance to officially recognise member state groupings (Kavický 2012, p.12). Under Polish leadership the V4 have taken an active role in the development of a number of EU initiatives, most of all in setting up the 2009 Eastern partnership under the emerging European Neighbourhood Policy and more recently in the

area of defence and security by planning to establish a Visegrád battlegroup (Šuplanta 2013). In spite of this the V4 have repeatedly been criticised for not being ambitious enough in making a concerted effort in establishing their cooperation as an agenda-setting mechanism which actively and openly promotes the interests of the wider CEE region (Fawn 2013, p. 348). The main persisting weakness of the V4 in this respect is the fact that it is still considered as 'a platform of choice and not necessity' (Törő et al 2014, p. 391). That the V4 are capable of taking this choice when they consider their national interests to be at stake was shown when they united in their opposition against the German government's approach towards the refugee crisis. The V4, who have traditionally been close partners of Germany, openly stood against the German government's proposals for the introduction of a binding refugee quota system in the EU. The joint statement by the V4 prime ministers issued on 4 September 2015 emphasised that they were supporting deeper EU cooperation on migration issues but only on the basis of voluntary participation of individual member states: 'any proposal leading to introduction of mandatory permanent quota for solidarity measures would be unacceptable' (V4 Trust 2015, p. 3). The background to this is the persistent gap in the levels of social cohesion between the CEEs and the EU-15 which explains why the governments in the region are concerned about the influx of considerable migration which may aggravate existing social problems and pressures on domestic infrastructure and welfare states.

The V4 cooperation poses a particular dilemma for Poland as it tries to find a balance between its role as regional leader and its ambition to establish itself as strategic EU agenda-setter in a structural leading partnership with France and Germany. Poland has in recent years shown the determination to play an active part in shaping the future of the EU. In this respect it has been the expectation amongst the CEE group that Poland will act as V4 agenda-setter. Since the departure of Donald Tusk as prime minister the Polish commitment to the V4 has however weakened. His successor Ewa Kopacz ultimately broke the V4 ranks at the special EU migration summit on 15 October 2015 when she supported the German plan for the immediate distribution of refugees from Syria. Her decision to show greater openness towards the acceptance of refugees in Poland contributed to the massive defeat

of the Civic Platform at the Polish national election on 25 October 2015, which resulted in an absolute majority for the oppositional Law and Justice Party under the leadership of Beata Szydło (Duval Smith 2015). The new government is strongly influenced by former prime minister Jarosław Kaczyński (Foy 2015) and is therefore likely to pursue a nationalist and euroscepticist agenda. (Wiatr 2013, p. 334). It is therefore doubtful if Poland under the new government will show the same commitment towards engagement in the V4 and in the EU as it did under its predecessor. Continued Polish engagement and leadership will however be indispensable to strengthen the voice of the CEE countries in the EU in the future and to ensure that their interests are effectively promoted. The EU is currently suffering from a deepening legitimacy crisis which predominantly results from the failure of the 'joint decision trap', which effectively forces member state governments to reach unanimous decisions in the process of interstate bargaining in the Council (Scharpf 1988), to produce effective policy outcomes. The refugee crisis has once again illustrated that EU governments have for too long neglected the development of joint capabilities in strategic areas such as border control, asylum applications and also more generally the EU's external defence and security (Menon 2012). Like the eurozone crisis and the various external challenges the EU has been facing in recent years, the refugee crisis has also illustrated that Germany is increasingly overburdened with acting as the EU's 'hegemonic stabiliser' (Bulmer and Paterson 2013, p. 1392; Schweiger 2015). Angela Merkel's 'cautious incrementalism' (Meiers 2015, p. 51) will not be sufficient in resolving the profound internal and external challenges the EU is facing. Germany therefore is in desperate need of strategic partners at a time when France is economically and politically weakened and the United Kingdom has once again started to retreat into splendid isolation. The CEE countries and particularly the Visegrád group with its close economic, cultural and political affiliation with Germany in principle offer Berlin such strategic partnerships.

The CEEs have come a long way since they first joined the EU more than a decade ago but they are still learning to find their feet in the EU's increasingly complex intergovernmental diplomacy and multi-level system of decision-making. Poland is the only country of the CEE-10 who is potentially

able to exercise influence in the EU without the support of others in the region (Copeland 2014, p. 483). The CEE governments should make every effort to continue their domestic political, economic and social transformation processes with the long-term goal to abandon their status as periphery countries. The EU's current crisis is as much one of economic mismanagement as it is a crisis of overall political direction and purpose. This poses risks but also a unique opportunity for the CEE region. If it manages to avoid backsliding on the transition process already made and makes further progress towards the economic, political and social consolidation it will establish a viable fundament on which CEE interests can be actively promoted in the EU. An enhanced Visegrád cooperation, which stretches consultation and policy coordination across the region and externally promotes these interests by engaging in an active dialogue on the grand strategic issues facing the EU with other partners, could be the decisive factor in moving the status of the CEE members to a new level. 'More active policy-making and stronger shaping of the EU's future agenda' (High Level Reflection Group 2013, p. 47) between the CEEs and in close cooperation with their immediate neighbours such as Austria, the Scandinavian countries and most of all the crucial strategic partner and leading player Germany could make all the difference in achieving this transformation.

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